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INFO RUEHXR/RWANDA COLLECTIVE IMMEDIATE

RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE IMMEDIATE

RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 0121

RUEATRS/DEPARTMENT OF TREASURY WASHINGTON DC IMMEDIATE

RUEAIIA/CIA WASHDC IMMEDIATE

RHEFDIA/DIA WASHDC IMMEDIATE

RHMFISS/HQ USEUCOM VAIHINGEN GE IMMEDIATE

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## C O N F I D E N T I A L KINSHASA 000312

SIPDIS

FOR AF/C AND EAP/CM

E.O. 12958: DECL: 04/01/2019

TAGS: ECON EINV ETRD PREL PGOV CH CG

SUBJECT: (C) PRESIDENTIAL ADVISORS CONFIRM COMMITMENT TO RENEGOTIATE CHINA AGREEMENT; CLAIM BEIJING IS THE HOLD-UP

REF: A. 08KINSHASA1105

\_B. 08KINSHASA426

\_C. KINSHASA 269

Classified By: Ambassador William J. Garvelink for reasons 1.4 (b) and (d)

- 11. (U) This is an action request. Please see paragraph 4.
- 12. (C) The Ambassador queried influential presidential advisor Augustin Katumba March 26 and presidential staff member (and former Foreign Minister) Antoine Ghonda March 30 on the government of the DRC (GRDC)'s commitment to renegotiate the Sino-Congolese agreement, including the sovereign guarantee provisions. The Ambassador's engagement on the issue with key officials within the Presidency followed March 23 comments to the press by the President's lead negotiator on the China Agreement, Moise Ekanga, that the GDRC would not revisit the agreement. Ekanga's comments contradicted statements to donors by Prime Minister Muzito in late 2008 (Refs A and B) that the GDRC stood ready to renegotiate the agreement to help pave the way for HIPC debt relief, a position that was recently reiterated by the Prime Minister's Deputy Chief of Staff (Ref C). Ekanga's comments are also not supported by the GDRC's Letter of Intent to the IMF requesting ESF assistance, which states the GDRC's commitment to ensure the China agreement is consistent with debt sustainability.
- 13. (C) Both Katumba and Ghonda told the Ambassador that the GDRC remained committed to renegotiating the agreement. When pressed by the Ambassador on the question of the agreement's sovereign guarantees, Katumba stated that they were unnecessary in light of the generous terms of the deal for the Chinese. Both advisors claimed it was Beijing, not Kinshasa, that insisted the sovereign guarantees remain in place. The view that Beijing is the hold-up in renegotiating the language on sovereign guarantees was supported by IMF Staff Mission leader Brian Ames during a private meeting with the Ambassador on March 31, the final day of the IMF visit.
- 14. (C) Comment and Action Request: Post has heard a consistent message from the Prime Minister and key advisors to both the President and the Prime Minister: the GDRC is willing, and has already begun, to renegotiate the China agreement. Post believes the GDRC sincerely wants both HIPC and the China agreement to move forward. What remains unclear to us is Beijing's position. Post would appreciate the Department's assistance in requesting Embassy's Beijing's engagement on this issue and insights into the PRC's position on renegotiating key provisions in the agreement. A better

understanding of Beijing's position would enable us to confirm the GDRC's intent in the negotiations. At the moment, we only have half of the story, and an unconfirmed one at that. End Note.

GARVELINK